Dear Neighbors;

Because of the ongoing problem of balancing our state budget, many state residents ask where the money goes from the casinos and the state lottery. I hope the enclosed information is helpful in answering some of your questions.

Please feel free to contact me with any questions, comments or concerns.

Sincerely,

Why Doesn't the Lottery Pay for Education?

When the lottery was established in 1976, educational spending was almost $200 million, and the lottery revenues were less than $10 million. Since that first year, this trend has continued: educational spending is significantly higher than lottery revenues. As a result, lottery revenues have never been large enough to fund our educational needs.

COMPARISON OF LOTTERY REVENUE TO EDUCATION EQUALIZATION EXPENDITURES 1976 TO PRESENT

REGULAR SPECIAL EDUCATION COMBINED WITH ECS IN FY 1995-96.
LOTTERY FIGURES ARE NET OF EXPENDITURES AS OF FY 1996-97.

David McCluskey
State Representative

Legislative Office Building
Room 3001
Hartford, CT 06106-1591

Phone: 240-8585
david.mccluskey@po.state.ct.us
At Home in West Hartford: 521-3554

Lottery Fund Distribution

Allocations Made by the State Legislature for Fiscal Year 2002 General Fund Distribution of the $271.5 Million Connecticut Lottery Proceeds
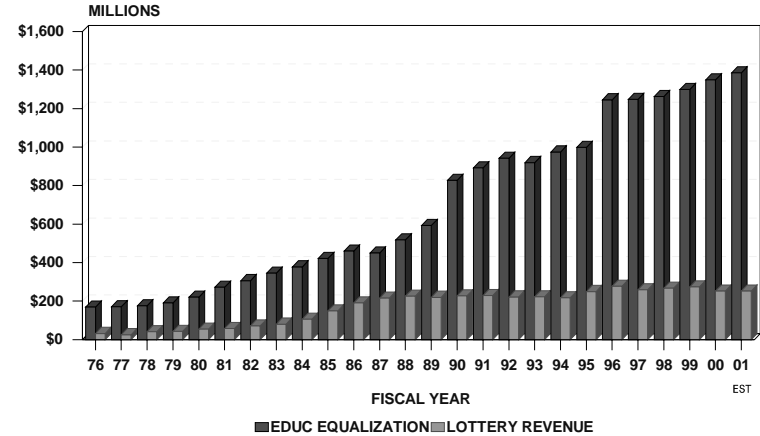
Total state revenues: $12,749.1 million.

Lottery proceeds are provided to the following:

Service	Percent of Lottery Proceeds Allocated
Medicaid	19.31%
Department of Education	16.18%
Human Services	9.81%
Corrections	9.05%
Debt Services	8.60%
State Service	8.27%
Health and Hospitals	5.87%
Higher Education	4.84%
General Government	3.86%
Mental Health	3.60%
Judicial	3.20%
Libraries and Education Services	2.08%
Regulation and Protection	1.87%
Property Tax Reimbursement to Towns	1.39%
Public Health	0.65%
Conservation and Development	0.63%
Legislative	0.50%
Transportation	0.29%

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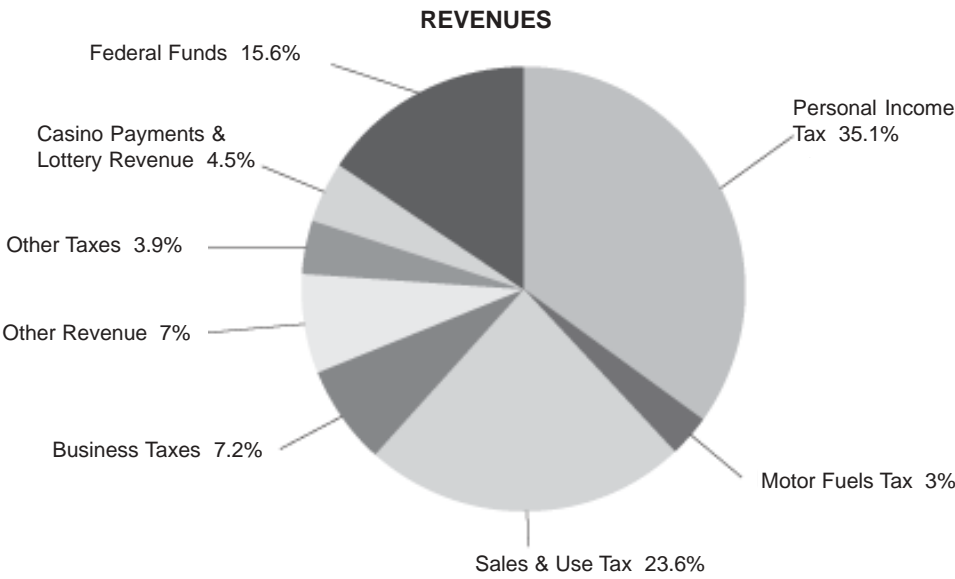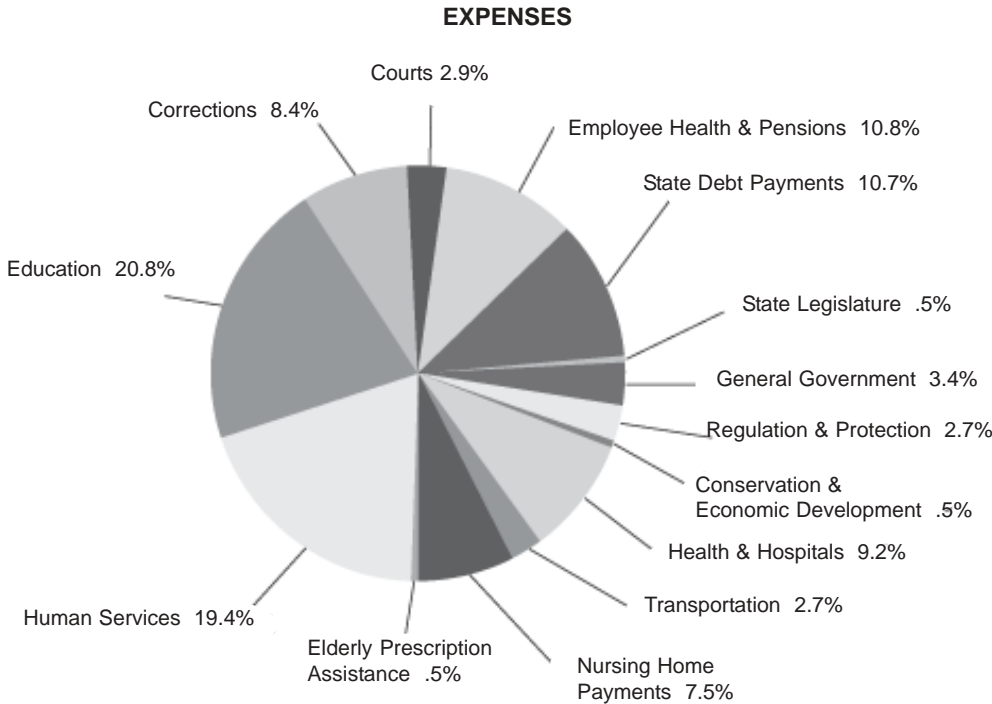### ~ 20th District

What Do My Taxes Pay For?

This year, taxes pay for more than $13 billion in state services -- everything from education to health care.

Here are just a few examples:

- Our tax money pays $66,000 a year for 20,000 nursing home patients on Medicaid for a total cost of $1 billion. That's close to 10% of our entire budget.
- Our taxes pay approximately $2.8 billion for educating our children from kindergarten to graduation.
- The total annual cost for each of the 19,357 students attending the University of Connecticut is $22,031; your tax money pays $14,171 or 64% of that cost.
- Our taxes protect our residents by paying the annual $27,000 cost for each of the 20,000 inmates who are in state correctional facilities.
- Your tax money supports a state court system that hears more than 500,000 cases per year.
- Our taxes pay the $15 million bill each year for monitoring our air quality.
- Our taxes pay the annual $25,000 cost for each of the 4,500 children in foster care.

Our State Budget

This breakdown of state expenditures and revenues does not include any spending cuts or tax increases we may make soon to address our deficit.

EXPENSES

- Courts 2.9%
- Employee Health & Pensions 10.8%
- State Debt Payments 10.7%
- State Legislature .5%
- General Government 3.4%
- Regulation & Protection 2.7%
- Conservation & Economic Development .5%
- Health & Hospitals 9.2%
- Transportation 2.7%
- Nursing Home Payments 7.5%
- Elderly Prescription Assistance .5%
- Human Services 19.4%
- Education 20.8%
- Corrections 8.4%

REVENUES

- Federal Funds 15.6%
- Casino Payments & Lottery Revenue 4.5%
- Other Taxes 3.9%
- Other Revenue 7%
- Business Taxes 7.2%
- Sales & Use Tax 23.6%
- Motor Fuels Tax 3%
- Personal Income Tax 35.1%

Pequot/Mohegan Fund Distribution

What happens to all the money we get from the casinos?

In Fiscal Year '02, funds from the Pequot/Mohegan casinos were $372 million dollars. A total of $135 million is distributed to towns under a formula described below. The remaining $272 million is put into the General Fund. The Mashantucket Pequots (Foxwoods) contribute $201 million and the Mohegans (Mohegan Sun) contribute $171 million.

The formula used to determine town distribution is based on five criteria:

1. $20 million on the basis of the State-Owned Real Property PILOT (Payment In Lieu of Taxes).

2. $20.1 million on the basis of the PILOT for Private Colleges and General and Free Standing Chronic Disease Hospitals. Each town will receive an additional share of the $20,123,916 appropriated for this portion of the grant.

3. $35 million on the basis of the Property Tax Relief Fund formula which uses three factors to determine aid: adjusted equalized net grand list per capita, per capita income, and town population.

4. $5.75 million to specified cities on the basis of the Property Tax Relief Fund formula. The cities are: Bridgeport, Hamden, Hartford, Meriden, New Briain, New Haven, New London, Norwalk, Norwich, Waterbury and Windham.

5. $500,000 to Ledyard, North Stonington, Montville and Preston, which are located adjacent to the two tribal reservations and have experienced increased demand for police and other services as a result.